

CITY LABOR ALLIANCE

City Bargaining Units Working for a Better Tomorrow

May 29, 2009

Mayor Chuck Reed
Members of City Council
City Manager Debra Figone
City of San José
City Hall
200 E. Santa Clara St.
San Jose, CA 95113

On behalf of the Bargaining Units that comprise the City Labor Alliance, we are fully aware of the difficult fiscal conditions confronting the City of San José and the potential consequences of those pressures on vital municipal services. Our members have chosen public service because we recognize the value of our work on the stability of neighborhoods and the well-being of families. Our intention is to find ways to cooperate with the City by which services levels can be preserved.

To recommend agreements to our members, we must have a sufficient level of trust and respect in our relationships with City leaders so that we will have confidence that our sacrifices will achieve the intended purposes after making voluntary concessions. Therefore, we propose a framework for an agreement that is most likely to address our members' concerns. The following terms are designed to assure workers that agreements calling for a loss of income, individually and wholly, will be fair and reliable and reflect the values of city employees and our broader community.

The proposed framework includes 10 issue areas:

DOLLAR VALUE OF CONCESSIONS. The total amount of the concessions made by each Bargaining Unit under this agreement will be no greater than the amount in the column titled "Total (General Fund)" for that Unit as specified in the matrix from the Director of Employee Relations dated May 12, 2009. However, a Bargaining Unit may for reasons of fairness choose to reach the higher number listed in the column, "Total (All Funds). Different Bargaining Units may offer different strategies to achieve the targeted amount of savings.

Recognizing the City's impending budget crisis and our desire to contribute to its solution, our Bargaining Units had discussions with the Director months ago seeking information about the savings required to balance the 2009-2010 budget. With this

information finally available, it can be used to define the maximum contract adjustments for each Bargaining Unit.

REOPENING OF CONTRACTS. There will be no automatic reopening of the contracts for all Bargaining Units for a minimum of one year.

Employees who agree to open contracts to provide revenue to the City must be assured that such actions will not be repeated. The City is and should be protected from mid-year fiscal challenges by its reserves.

DELAY OF CONTRACT OPENER ON RETIREE HEALTH CARE ISSUES. Negotiations on the issue of retiree health care for the Bargaining Units in this agreement will be delayed one year until January 2011.

Retiree health care, while an important issue, is complex and controversial. Discussing it in the midst of a year in which the City and Bargaining Units are struggling to respond to severe fiscal pressures will only delay reaching needed agreements. The City will not see any significant financial benefit from changes in retiree health care funding for at least a decade. Therefore, a one-year deferral of negotiations is reasonable, and the deferral will increase the prospects for creative decision making to achieve mutually beneficial outcomes on this issue.

USE OF BARGAINING UNIT SAVINGS. All savings (100 percent) achieved through employee concessions in this agreement, whether they benefit the General Fund or any other City fund, will be used to prevent layoffs among members of the Bargaining Unit making the concessions or to achieve some other budget objective designated by the Bargaining Unit.

When employees voluntarily expose themselves and their families to losses of income, they are entitled to know their sacrifice will protect their colleagues who remain in service to the City's residents.

JOB CLASSIFICATIONS. The City will delay creation of new job classifications under this agreement for two years.

The creation of new job classifications exposes employees to significant, long-term career consequences, among them impacts to advancement and job satisfaction. New classifications may also significantly affect the interests of the Bargaining Unit upon whom the City is relying to agree to concessions.

GRIEVABILITY OF THE AGREEMENT. Disputes between the City and the Bargaining Unit regarding the budget concessions under this agreement that cannot be resolved through discussions will go to arbitration.

The concessions made by employees represent extraordinary sacrifices in response to extraordinary circumstances, and employees must be confident that they can rely upon the details of this agreement.

VACANT POSITIONS. Money from the concessions in this agreement will not be used to fund vacant positions other than those designated by the Bargaining Unit.

As with the use of Bargaining Unit savings, the employees entering this agreement are subjecting themselves and their families to dire economic loss. In return, they are entitled to assurance that such a sacrifice is made on behalf of other workers providing City services.

SENIORITY. No adjustments made to contracts under this agreement will modify the seniority of union members.

The Bargaining Units enter this agreement with the City understanding they will incur temporary losses to address an immediate problem, but this agreement cannot diminish lifetime rights and benefits earned by workers through years of dedicated service.

WORK RULES. Work rules and union rights will not be changed to the detriment of employees under this agreement.

These concessions use employee sacrifice to achieve the core goal of savings that preserve City services, but the agreement must not be used to gain long-term concessions at employee expense.

IMPROVING MUTUALLY BENEFICIAL RELATIONSHIPS. The problem of the City's budget deficit should not impede discussions on non-economic issues outstanding between the City and the City Labor Alliance that affect a mutually beneficial relationship.

Failure to resolve these issues may be corrosive to the level of trust and respect required for cooperation, and they are toxic to the membership of the unions that must discuss, consider and vote on any agreement.

We request a directive from the Mayor and City Council that the City Manager meet with us immediately to discuss this proposed agreement.

In service to our City,

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